

Report to the
Senate Appropriations Committee on Health and Human Services,
The House of Representatives Appropriations Subcommittee on Health and
Human Services and the Fiscal Research Division

Report on

Mental Retardation Center Downsizing

SL 2005-276
Senate Bill 622

Section 10.29(d)

May 1, 2006

North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities, and
Substance Abuse Services

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The Appropriations Bill SL 2005-276 Section 10.29 calls for the Department to “*ensure that the downsizing of the State’s regional mental retardation facilities is continuously based upon residents’ needs and the availability of community-based services with a targeted goal of four percent (4%) each year.*” The bill also requires that “*budgets for each of the State mental retardation centers be reduced, and positions be eliminated as the census of each facility decreases*” and that the Department of Health and Human Services report on the progress made in complying with this section.

To date, a variety of activities have taken place in an effort to continue the downsizing initiative of the mental retardation centers, now referred to as developmental centers, to comply with this legislation.

In February of 2005 the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services put forward a Request for Information (RFI) to gauge the interest of providers in supporting the downsizing effort. Since beginning the RFI initiative, there has been a net census reduction at the centers of 69 or 4.1 %. A total of 44 individuals moved from the developmental centers to the community. A majority of these individuals (32) moved to Community Intermediate Care Facility/Mental Retardation (ICF/MR) group homes. Of these placements, twelve were a direct result of the RFI process. During this same period, there were 43 regular admissions to the developmental centers, many of which were from licensed community residential settings, including ICF/MR group homes. Most admissions were due to behavioral and/or medical needs that could not be addressed in the individual’s community setting. The largest contributing factor of net census reduction at the developmental centers continues to be deaths from natural causes.

As stated in the progress report of January 1, 2006, many LMEs feel there are insufficient dollars in the budget to support people in the community and people coming out of the developmental centers. As a result, individuals in the developmental centers who are receiving appropriate, high quality services are deemed a lower priority for limited funding than people in the community who have significant needs that have not been fully addressed.

The capacity of providers to meet the behavioral and/or medical needs of persons living at the developmental centers has not been sufficiently demonstrated or documented in many parts of the state, causing concerns for guardians who would otherwise be in favor of community placement.

During fiscal year 2004-2005 a formula was developed, based upon input from the directors of the developmental centers, for reductions in the facilities’ budgets based on net census reductions. Budget reductions will occur in July of each fiscal year based on

actual census reductions during the previous fiscal year and the formula for dollar amounts reduced per downsized bed will be recalculated using each center's new daily rate. As of July 1, 2006, a total of \$4,622,611 will have been reduced from the centers' budgets. Reductions have come primarily from the elimination of positions. Medicaid savings from the reductions will be transferred by the Division of Medical Assistance from the ICF-MR line in Medicaid to the Community Alternatives Program- Mental Retardation/Developmental Disabilities (CAP-MR/DD) for the provision of waiver services to individuals residing in the community.

We acknowledge that, despite the RFI process and ongoing downsizing efforts, there continues to be modest progress towards the intended goal of moving individuals from the developmental centers to the community. There are many challenges that face the entire system – LMEs, providers, crisis and specialty services, funding and guardian choice. There remain over 200 individuals residing in the developmental centers whose guardians are in favor of or not opposed to community placement, providing appropriate supports are available. The Division has developed a proposal to facilitate the movement of these individuals to the community. We believe that the proposal, once approved, along with increased flexibility available through the new Community Alternatives Program Medicaid Waiver for persons with developmental disabilities (CAP-MR/DD) that was implemented on September 1, 2005, will move this initiative forward.